

AGENDA ITEM SUMMARY

City Council



STAFF

Caleb Weitz, Chief Financial Officer
Lawrence Pollack, Budget Director

SUBJECT

Items Related to Appropriating Additional Funds for 2025.

EXECUTIVE SUMMARY

A. First Reading of Ordinance No. 149, 2025, Making Supplemental Appropriations in Various City Funds.

B. First Reading of Ordinance No. 150, 2025, Appropriating Prior Year Reserves and Authorizing Transfers of Appropriations in Various City Funds.

The purpose of these items is to combine dedicated and unanticipated revenues or reserves that need to be appropriated before the end of the year to cover the related expenses that were not anticipated and therefore not included in the 2025 annual budget appropriation. The unanticipated revenue is primarily from fees, charges, rents, contributions and grants that have been paid to City departments to offset specific expenses.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

BACKGROUND / DISCUSSION

These Ordinances appropriate additional revenue and funds received this fiscal year and from prior year reserves in various City funds and authorize the transfer of previously appropriated amounts between funds and/or capital projects.

The City Charter permits the City at any time during a fiscal year to make supplemental appropriations of additional revenue and other funds received as a result of rate/fee increases or new revenue sources, such as grants and reimbursements. The Charter also permits Council to provide, by ordinance, for payment of any expense from prior-year reserves through a supplemental appropriation. Additionally, it authorizes Council to transfer any unexpended and unencumbered appropriated amount from one fund or project to another fund or project upon recommendation of the City Manager, provided that the purpose for which the transferred funds are to be expended: 1) remains unchanged; 2) the purpose for which they were initially appropriated no longer exists; or 3) the proposed transfer is from a Fund or project account in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

The City Manager is recommending the proposed appropriations in these Ordinances and has determined that they are available and previously unappropriated from their respective funds and will not cause the total amount appropriated from such funds to exceed the current estimate of actual and anticipated revenues and all other funds to be received in each such fund during this fiscal year.

The City Manager is also recommending the proposed transfers of existing appropriations in these Ordinances and has determined that the purposes for which these transferred funds are to be expended remains unchanged.

If these appropriations are not approved, the City will have to reduce expenditures even though revenue and reimbursements have been received to cover those expenditures.

These items were presented to the Council Finance Committee (CFC) on September 4, 2025. A couple of questions for follow up were asked and those will be responded to in Council's weekly Thursday communication, prior to 1st Reading.

The table below is a summary of the expenses in each fund that make up the increase in the requested appropriations. Also included are transfers between funds, which do not increase net appropriations, but per the City Charter, require Council approval to make the transfer. A table with the specific use of prior year reserves appears at the end of this Agenda Item Summary.

Funding	Additional Revenue	Prior Year Reserves	Transfers	TOTAL
General Fund	\$811,080	\$370,329	\$0	\$1,181,409
Cultural Services Fund	711,000	0	0	711,000
Recreation Fund	450,000	0	0	450,000
Transportation Services Fund	140,000	0	115,000	255,000
Self-Insurance Fund	653,461	0	0	653,461
Utility CS&A Fund	0	543,582	0	543,582
Light & Power Fund	2,009,443	0	0	2,009,443
Water Fund	352,958	0	0	352,958
Wastewater Fund	106,479	0	0	106,479
Stormwater Fund	51,479	0	0	51,479
Golf Fund	550,000	374,600	0	924,600
GRAND TOTAL	\$5,835,900	\$1,288,511	\$115,000	\$7,239,411

A. GENERAL FUND

1. **Fort Collins Police Services (FCPS)** has received revenue from various sources. A listing of these items follows:

- a. \$7,590 – Police Northern Colorado Drug Taskforce: As a part of the City of Fort Collins contribution to the Northern Colorado Drug Taskforce, any Drug Offender Surcharge or Court Ordered Restitution that is remitted from Larimer County Court to Fort Collins Police, is then passed along to the NCDTF. Any additional restitution that is collected by FCPS is additionally passed along to the NCDTF.
- b. \$3,000 – Police 2024/2025 HVE Grant: Police Services was awarded a grant from Law Enforcement Assistance Fund to pay for overtime for DUI enforcement. There was a \$3,000 amendment to the original grant.

- c. \$95,443 – Police Miscellaneous Revenue: Police Services receives revenue from the sale of Police reports along with other miscellaneous revenue, like restitution payments, evidence revenue and SWAT training.
- d. \$468,863 – Police Reimbursable Overtime: Police Services help schedule security and traffic control for large events. Since these events are staffed by officers outside of their normal duties, officers are paid overtime. The organization who requested officer presence is then billed for the costs of the officers' overtime. For example, FCPS partners with Larimer County to staff events at The Ranch. Police receive reimbursement from Larimer County for officers' hours worked at Ranch events.
- e. \$120,498 – Police School Resource Officers: Police Services has a contract with Poudre School District to provide Officers on location at a majority of the schools for safety and support. The school district pays Police Services based on a predetermined contract amount and also partially reimbursing for overtime incurred. This request is for the previously billed overtime and anticipated overtime for the remaining year.
- f. \$4,978 – Police DUI Enforcement: Proceeds that have been received for DUI enforcement.

TOTAL APPROPRIATION

FROM: Unanticipated Revenue (Police Northern Colorado Drug Taskforce)	\$7,590
FROM: Unanticipated Revenue (2024-2025 HVE Grant)	\$3,000
FROM: Unanticipated Revenue (Police Miscellaneous Revenue)	\$95,443
FROM: Unanticipated Revenue (Police Reimbursable Overtime)	\$468,863
FROM: Unanticipated Revenue (School Resource Officers)	\$120,498
FROM: Unanticipated Revenue (DUI Enforcement)	<u>\$4,978</u>
TOTAL:	<u>\$700,372</u>
FOR: Northern Colorado Drug Taskforce	\$7,590
FOR: Monitor DUI Compliance	\$3,000
FOR: Police Miscellaneous Revenue	\$95,443
FOR: Police Reimbursable Overtime for Events	\$468,863
FOR: Overtime for School Resource Officers	\$120,498
FOR: DUI Enforcement	<u>\$4,978</u>
TOTAL:	<u>\$700,372</u>

2. Forestry Payment In Lieu

The Forestry Division receives Payment in Lieu (PIL) revenue when a developer cannot plant enough trees on a development site to meet City requirements. These funds are used to support planting trees elsewhere in the City.

FROM: Unanticipated PIL Revenue	\$21,750
FOR: Citywide Tree Planting	\$21,750

3. Parks- Overland Park Unanticipated Revenue

The Parks Department collected higher than anticipated revenues from rental facilities at the Overland Park complex. The funds are used to support general operations in the Overland Park.

FROM: Unanticipated Rental Revenue	\$10,575
FOR: Overland Park	\$10,575

4. Manufacturing Equipment Use Tax

Finance requests the appropriation of \$28,329 to cover the amount due for the 2024 Manufacturing Equipment Use Tax Rebate program as established in Chapter 25, Article II, Division 5, of the Municipal Code. The rebate program was established to encourage investment in new manufacturing equipment by local manufacturing firms. This item appropriates the use tax funds to cover the payment of the rebates.

FROM:	Prior Year Reserves (Manufacturing Rebate Reserve within the General Fund)	\$28,329
FOR:	Manufacturing Equipment Use Tax	\$28,329

5. Fort Collins Retail Strategy funded by PRPA

Platte River Power Authority (PRPA) annually contributes to the economic health of the Fort Collins community. In the past, the City has utilized these funds to support local, small businesses and continue to utilize these funds in this manner. This year, the funds were utilized to support a citywide retail study to understand the changing landscape of retail, implications to our sales tax base, and development of Council Priority #4 - Advance a 15-Min City by Igniting Neighborhood Centers.

FROM:	Unanticipated Revenue (PRPA)	\$52,500
FOR:	Citywide retail study	\$52,500

6. Radon Kits

Environmental Services sells radon test kits at cost as part of its program to reduce lung-cancer risk from in-home radon exposure. This appropriation recovers kit sales revenue for the purpose of restocking radon test kits annually.

FROM:	Unanticipated Revenue (radon kit sales)	\$1,403
FOR:	Purchase of radon kits to sell	\$1,403

7. Conflict Transformation Works Program - Revenue Recovery

Conflict Transformation Works (CTW), which includes restorative justice and community mediation programs, receives payment for work it does for other City departments through its workplace mediation program and also has program fees for parts of its programming. In addition, this year CTW contracted with another community in Washington to train on the Restore model, a restorative justice model for shoplifting offenses which was designed and implemented here in Fort Collins. CTW would like to appropriate these funds to use for expenses related to volunteer training, support and appreciation. Also, a small portion of the funding will be used to pay victim restitution for victims of restorative justice cases in the CTW programs. Youth in the program do volunteer work to earn the victim restitution. This is provided for families unable to pay the restitution their youth owes and for youth too young or otherwise unable to do paid work for the restitution. This assures the victim receives restitution despite a family's inability to pay. Program staff cannot predict how many youths will request this support and who will qualify.

FROM:	Unanticipated Revenue (CTW)	\$16,680
FOR:	Conflict Transformation Works Program	\$16,680

8. Grocery Rebate Program Participation

The Grocery Tax Rebate is intended to provide financially insecure residents relief from City sales tax charged on purchased food. The rebate amount is currently \$80 per person. From January to July 2025, the City processed 2,160 applications. The total amount issued during this period is \$439,000; a 33% increase year-over-year from 2024. The FY2025 budget affords \$450,000 for rebates, leaving \$11,000 for the remainder of 2025.

A monthly average of \$66,200 for August-December 2025 is anticipated, bringing the total rebate obligation for 2025 to \$770,000. Additional appropriation to cover the gap of \$320,000 will come from General Fund sub-reserves from Payments in Lieu of Taxes (PILOTs) and will meet the anticipated 2025 grocery rebate obligations.

FROM:	Prior Year Reserves (PILOT)	\$320,000
FOR:	Grocery rebates for financially insecure residents	\$320,000

9. Land Bank Operating Expenses

This request is intended to cover expenses related to the land bank property operation costs for 2025. Since expenses vary from year to year, funding is requested annually through the Annual Adjustment process to cover these costs. Expenses in 2025 include general maintenance of properties, raw water and sewer expenses, electricity, repairs, pest control, and other as applicable.

FROM:	Prior Year Reserves (Land Bank)	\$22,000
FOR:	Land Bank Operational Expenses	\$22,000

10. Volunteer Services Hourly Personnel Support

This is a request to appropriate \$7,800 in unanticipated revenue collected from NextGenServe Volunteer services to fund hourly employees that support the Volunteer Services programs. NextGenServe is the City's teen volunteer service club run out of HR and funded from the Volunteer Service Program budget. NextGen is in its fifth year and has been grant-supported thus far. To move to a more sustainable funding model, Volunteer Services launched a fee-based program in 2025. Each participant was required to pay \$200 unless they accessed our scholarship program through GetFoCo. With 43 participants, the program generated \$7,800 in unanticipated revenue to help support Volunteer services hourly personnel.

FROM:	Unanticipated Revenue from NextGenServe	\$7,800
FOR:	Fund hourly employees that support Volunteer Services	\$7,800

B. CULTURAL SERVICES FUND

1. Lincoln Center Artists & Musicians Fees

The Lincoln Center is requesting additional budget for the expenses related to LC live show promoters and artists to accommodate higher than expected revenues and expenditures for additional productions, as well as national and international tour shows presented or produced by the City. This appropriation has no net impact on the Cultural Services and Facilities Fund and requires no subsidy from the General Fund.

In 2025, the Lincoln Center brought major touring shows to Fort Collins, including Dear Evan Hansen, Mean Girls, and Ain't Too Proud. In addition, since the adoption of the 2025 budget, we added additional shows for the Live at The Gardens concert series that the LC manages, including well-known artists Mary Chapin Carpenter/Brandy Clark, The Music of Billy Joel with the Fort Collins Symphony, and The Commodores. The existing budget for Artist Fees paid for shows is not sufficient to cover the expenses related to the shows in 2025. The additional cost will be covered by revenue by a margin of at least 100% for at least a net zero impact to the Lincoln Center budget.

FROM:	Unanticipated Revenue	\$711,000
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FOR:	Lincoln Center live show promoters and artists	\$711,000
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C. RECREATION FUND

1. Excess Revenue from Higher Participation

The purpose of this item is to consider an appropriation of \$450,000 of unanticipated 2025 revenue in the Recreation Fund to support expenses related to higher participation rates than anticipated during the 2025-2026 Budgeting for Outcomes cycle. Recreation is currently forecasted to finish 2025 with surplus revenue of about \$700,000 and needs to appropriate a portion of these funds to cover the expenses related to increased participation compared to budget (driven primarily by increased hourly support).

FROM:	Unanticipated Revenue	\$450,000
FOR:	Expenses related to higher participation rate	\$450,000

D. TRANSPORTATION SERVICES FUND

1. Open Streets Vendor Fees

Open Streets is an annual FC Moves event that promotes active modes of transportation and invites folks to experience streets without cars. At Open Streets, participants can expect 1-2 miles of car-free, family-friendly streets. Participants are encouraged to Ride the Route and explore areas called "Activity Hubs"- temporary clusters of activity provided by local businesses and organizations. Vendors for Open Streets are charged \$50 if they are a non-profit, \$100 if they are a private business.

This request includes \$1,400 in fees that have been collected to date in 2025, and a projection of another \$3,600 we expect to collect for the remainder of 2025. It is important that we are able to offset our costs with these fees, since our operating budget is not large enough to support this event without incoming revenue.

FROM:	Unanticipated Revenue (Vendor Fees)	\$5,000
FOR:	Open Streets Program	\$5,000

2. Spin Annual Payment

Per the contract between the City and Spin, Spin pays an annual fee of \$10,000. These funds can be used at the City's discretion and typically are used for projects related to the Spin program. In 2025, funds were used to install bike/scooter boxes for better parking options, and to support the Which Wheels Go Where project to update City code regulating what types of micromobility can be used on what facilities.

FROM:	Unanticipated Revenue (Spin annual payment)	\$10,000
FOR:	Installation of bike and scooter boxes for parking	\$10,000

3. Crushing Facility Work for Other Program

The Planning, Development and Transportation Work for Others program is a self-supported program for all "Work for Others" activities within Streets. Customers are charged for the products they purchase from the Hoffman Mill Crushing Facility. Due to unanticipated projects and equipment/parts needs, additional funding of \$125,000 is requested to cover expenses through the

end of 2025. Revenue generated at the facility will offset the expense (expense will not be incurred if revenue is not received).

FROM:	Unanticipated Revenue (Work for Others)	\$125,000
FOR:	Work for Others program within the Streets Department	\$125,000

4. Transfer of Appropriations for Concrete Work

The Laporte Avenue Bridges capital project (400902140) was completed in 2023. There was an issue with the concrete used on the side path. The City and the contractor agreed that \$115,000 would be withheld by the City for the deficient work. This withheld funding is proposed to be transferred to the Streets Department operating fund. This funding will be utilized for concrete work within the Streets program in 2025.

FROM:	Previous Unexpended Appropriation	\$115,000
FOR:	Concrete work	\$115,000

E. SELF-INSURANCE FUND

1. Self Insurance Fund Revenue

City insurance premiums and claim settlements are projected to exceed the 2025 budget within the Self Insurance Fund. 2025 Fund revenues in the amount of \$653,461 are available for appropriation to cover excess insurance expenditures.

FROM:	Unanticipated Revenue	\$653,461
FOR:	City insurance premiums and claim settlements	\$653,461

F. UTILITY CS&A FUND

1. Banking & Credit Card Fee Appropriation

Appropriate additional banking and credit card fees based on an increased number of customers utilizing online banking services to pay utility bills via eCheck or credit card. Utilities absorbs transaction fees for online payments (1) \$0.50 per eCheck and (2) Debit/Credit Cards are 1.15% up to \$1,500, increasing to 2.75% for transactions over \$1,500. Additional fee budget is offset by the increase in fund revenues attributed to customer transaction growth and utility rate increases.

FROM:	Prior-year Reserves in the Utility Customer Service and Administration Fund	\$506,778
FOR:	Utilities Banking & Credit Card Fees	\$506,778

2. Utilities Legal Expenses Appropriation - Part 1 of 5

This request will appropriate revenue received from the Open International judgement to cover the related unplanned legal expenses incurred in 2025. Legal expenses will exceed currently budgeted amounts in Light & Power, Water, Wastewater, Stormwater, and Customer Service & Administration (CS&A) Funds.

FROM:	Prior-year Reserves in the Utility Customer Service and Administration Fund	\$36,804
FOR:	Unplanned legal expenses	\$36,804

G. LIGHT & POWER FUND

1. Light & Power System Additions for Development Revenue

This request will appropriate additional Light & Power development fee revenue to cover the related electric infrastructure costs to serve new and/or upgraded residential and commercial developments.

Expenses for electric system additions are development-dependent and are anticipated to end the year over the original budgeted amounts. Through July 2025, revenues generated from development are over budget by \$1,504,528.

FROM:	Unanticipated Revenue Light & Power Development Fees	\$1,504,528
FOR:	Electric Infrastructure Costs	\$1,504,528

2. Utilities Payment in Lieu of Taxes (PILOT) - Part 1 of 3

This request will appropriate additional PILOT revenue to cover associated PILOT expenses for Utilities funds. PILOT revenues (6% of electric, water, and wastewater charges) collected by Utilities are a direct pass-through expense to the City's General Fund. Fund PILOT revenues and expenses are exceeding budgeted 2025 amounts.

FROM:	Unanticipated Revenue PILOT	\$299,000
FOR:	PILOT Expenses	\$299,000

3. Utilities Legal Expenses Appropriation - Part 2 of 5

This request will appropriate revenue received from the Open International judgement to cover the related unplanned legal expenses incurred in 2025. Legal expenses will exceed currently budgeted amounts in Light & Power, Water, Wastewater, Stormwater, and Customer Service & Administration (CS&A) Funds.

FROM:	Unanticipated Revenue from Open Intl judgement	\$205,915
FOR:	Unplanned legal expenses	\$205,915

H. WATER FUND

1. Utilities Payment in Lieu of Taxes (PILOT) - Part 2 of 3

This request will appropriate additional PILOT revenue to cover associated PILOT expenses for Utilities funds. PILOT revenues (6% of electric, water, and wastewater charges) collected by Utilities are a direct pass-through expense to the City's General Fund. Fund PILOT revenues and expenses are exceeding budgeted 2025 amounts.

FROM:	Unanticipated Revenue PILOT	\$250,000
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FOR: PILOT Expenses \$250,000

2. Utilities Legal Expenses Appropriation - Part 3 of 5

This request will appropriate revenue received from the Open International judgement to cover the related unplanned legal expenses incurred in 2025. Legal expenses will exceed currently budgeted amounts in Light & Power, Water, Wastewater, Stormwater, and Customer Service & Administration (CS&A) Funds.

FROM: Unanticipated Revenue from Open Intl judgement \$102,958
FOR: Unplanned legal expenses \$102,958

I. WASTEWATER FUND

1. Utilities Payment in Lieu of Taxes (PILOT) - Part 3 of 3

This request will appropriate additional PILOT revenue to cover associated PILOT expenses for Utilities funds. PILOT revenues (6% of electric, water, and wastewater charges) collected by Utilities are a direct pass-through expense to the City's General Fund. Fund PILOT revenues and expenses are exceeding budgeted 2025 amounts.

FROM: Unanticipated Revenue PILOT \$55,000
FOR: PILOT Expenses \$55,000

2. Utilities Legal Expenses Appropriation - Part 4 of 5

This request will appropriate revenue received from the Open International judgement to cover the related unplanned legal expenses incurred in 2025. Legal expenses will exceed currently budgeted amounts in Light & Power, Water, Wastewater, Stormwater, and Customer Service & Administration (CS&A) Funds.

FROM: Unanticipated Revenue from Open Intl judgement \$51,479
FOR: Unplanned legal expenses \$51,479

J. STORMWATER FUND

1. Utilities Legal Expenses Appropriation - Part 5 of 5

This request will appropriate revenue received from the Open International judgement to cover the related unplanned legal expenses incurred in 2025. Legal expenses will exceed currently budgeted amounts in Light & Power, Water, Wastewater, Stormwater, and Customer Service & Administration (CS&A) Funds.

FROM: Unanticipated Revenue from Open Intl judgement \$51,479
FOR: Unplanned legal expenses \$51,479

K. GOLF FUND

1. Banking & Contract Labor Expenses

Golf has seen record revenue and rounds over the past couple of years which has resulted in higher banking fees and contract labor expenses. The requested annual adjustment is to account for this increased revenue (\$550,000) and related increased expenses (\$50,000 for banking fees and \$500,000 for contract labor).

FROM:	Unanticipated Revenue	\$550,000
FOR:	Contract Labor & Banking Fees	\$550,000

2. Capital Projects and City Park 9 Fairway Damages

Golf is experiencing unforeseen increases in expenses related to minor capital projects and City Park 9 fairway damages. This requested adjustment is to cover these additional costs (\$362,600 for minor capital expenses and \$12,000 for City Park 9 fairway damages). This request would be paid for by Golf Fund reserves.

FROM:	Golf Fund Reserves	\$374,600
FOR:	Minor capital projects and City Park 9 Fairway Damages	\$374,600

CITY FINANCIAL IMPACTS

These Ordinances increase total City 2025 appropriations by \$7,239,411. Of that amount, these Ordinances increase General Fund 2025 appropriations by \$1,181,409, including use of \$370,329 in prior year reserves. Funding for the total increase to City appropriations is \$5,835,900 from unanticipated revenue, \$1,288,511 from prior year reserves, and \$115,000 from transfers from reserves or previously appropriated funds.

The following is a summary of the items requesting prior-year reserves:

Item #	Fund	Use	Amount
A4	General Fund	Manufacturing Equipment Use Tax	\$28,329
A8	General Fund	Grocery Rebate Program participation	320,000
A9	General Fund	Land Bank Operating Expenses	22,000
F1	Utility CS&A Fund	Banking & Credit Card Fee Appropriation	506,778
F2	Utility CS&A Fund	Utilities Legal Expenses Appropriation	36,804
K2	Golf Fund	Capital Projects and City Park 9 Fairway Damages	374,600
Total Use of Prior Year Reserves:			\$1,288,511

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The 2025 Annual Adjustment Ordinances were reviewed by the Council Finance Committee during their September 4, 2025, meeting. The members supported the ordinances moving forward to the full Council on September 16, 2025, on the Consent Agenda.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance No. 149, 2025
2. Ordinance No. 150, 2025